

PROCLAMATION

BY THE

Governor of the State of Texas

NO.

TO ALL TO WHOM THESE PRESENTS SHALL COME:

I am vetoing and filing with the Secretary of State House Bill No. 164, passed at the recently adjourned Regular Session of the Forty-Eighth Legislature.

As finally passed by the Legislature, House Bill No. 164 provides simply that any municipal corporation which has school bonds which bear an annual rate of interest in excess of 3% per annum and which are owned and held for the account of the Permanent School Fund of Texas that in no event shall the school district be required to pay by reason of such bonds more than 3% interest thereon, and that payment of interest at 3% per annum "shall be full payment for interest upon said bond or bonds regardless of any higher rate that may be stipulated in said bond or bonds."

When the bill was pending before the Senate Committee on Education, that Committee inquired of the Attorney General whether in his opinion H. B. No. 164 was constitutional, and particularly whether it violated four specifically mentioned constitutional provisions, among others Section 4 of Article 7 as amended in 1883. That section of the Constitution provides that the Comptroller shall invest the Permanent School Fund moneys "as may be directed by the Board of Education herein provided for, in the bonds of the United States, the State of Texas, or counties in said State, or in such other securities, and under such restrictions as may be prescribed by law; and the State shall be responsible for all investments."

The Attorney General advised the Committee that in his opinion "this vestiture of jurisdiction is exclusive, and the power and the discretion therein conferred may not be exercised in any other way." In consequence the Attorney General advised the Committee

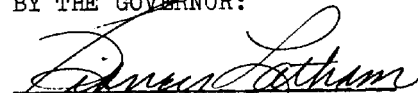
further that in his opinion H. B. No. 164, if enacted into law, would be unconstitutional since the power to direct the investment of the Permanent School Fund is vested in the State Board of Education by the Constitution of Texas and is, therefore, a power which "may not be taken away or bridged in any manner whatsoever by the legislature." (Attorney General's Opinion No. 0-5213, addressed to the Honorable Karl L. Lovelady, Chairman of Committee on Education, dated April 29, 1943.)

House Bill No. 164 reached my office less than ten days before the end of the Regular Session of the Forty-Eighth Legislature. In accordance with the Constitution, it is being filed with the Secretary of State together with this proclamation containing my objections to the bill.

IN TESTIMONY WHEREOF I have
hereunto signed my name
officially and caused the Seal
of State to be affixed hereto
at Austin, this the 29th day
of May, A. D., 1943.

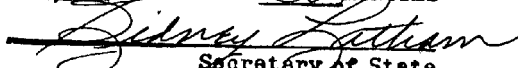

GOVERNOR OF TEXAS

BY THE GOVERNOR:


SECRETARY OF STATE

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

THIS 31st DAY OF May 1943
AT 9 O'CLOCK AND 30 MINUTES a.m.


Secretary of State